

Unite bargaining brief



Unite the Union

July 2019

INTRODUCTION

The latest official figures show real wages growing modestly, but growth is still below the pre-crisis average.

The Resolution Foundation's Living Standards Audit 2019 reports that over the past two years, UK households have experienced slower income growth than in the aftermath of the early 1990s recession, and the weakest growth outside of recessions since records began in 1961.¹

I was at the launch of the report and heard John McDonnell, the Shadow Chancellor, respond to its findings. He made the case for *"higher minimum wages, stronger trade union rights, [and] sectoral collective bargaining" as part of "any serious attempt to address inequalities of income, wealth, region or age"*.² Hear, hear to that!

At the time of writing there are reports of above-inflation pay rises for public sector workers. However, this would be funded from existing departmental budgets which will mean cuts to jobs and/or services. Commenting on the reports, Gail Cartmail, Unite Assistant General Secretary, said: *"Read the small print and there is no new money from the government for these below inflation pay rises which exclude nearly two thirds of public sector workers, including health and those in local government, who have endured years of pay freezes and real terms pay cuts."*³

John Earls, Director of Research

SUMMARY

- Median settlements at 2.8% (LRD, May 2019), 2.5% (IDR, May 2019), 2.5% (XpertHR, June 2019)
- Inflation rises: RPI 2.9%, CPIH 1.9%, CPI 2.0% (June 2019)
- RPI forecast to fall throughout the second half of 2019 with a median forecast of 2.5% for the fourth quarter
- Childcare prices have risen 3% over the last year
- The single month Average Weekly Earnings growth rose to 3.9% on the year to May 2019 for total pay, including bonuses and 3.8% for regular pay
- National Minimum Wage rate (from April 2019) - £8.21 per hour (over 25s NLW)
- Real Living Wage (LWF) is significantly higher at £9.00 (UK) and £10.55 (London)
- **New** Minimum Income Standard publish by JRF

PAY SETTLEMENTS

LRD median settlements stay at 2.8% for the three months to May 2019

IDR median settlements at 2.5% for the three months to the end of May 2019

XpertHR median settlements at 2.5% for the three months to the end of June 2019

Pay data analysis includes data published in Labour Research Department's *Workplace Report*, *XpertHR Pay Awards* and Incomes Data Research's *Viewpoint blog* and *Pay Climate*.

¹ <https://www.resolutionfoundation.org/media/press-releases/households-have-experienced-a-tighter-income-squeeze-in-recent-years-than-during-the-1990s-recession/>

² <https://labour.org.uk/press/john-mcdonnells-speech-resolution-foundation/>

³ <https://unitetheunion.org/news-events/news/2019/july/public-sector-wage-pain-will-continue-despite-reports-of-a-pay-rise-warns-unite/>

NEW LRD – Median Payline deals averaging 2.8% (trade union deals)

LRD Workplace report in June states that “[t]he median (midpoint) increase for pay deals on LRD’S Payline database for the three months to May was 2.8% — the same increase for all previous months this year.

Pay has lost ground with inflation over the past two months as the RPI rate has been running at 3.0%.

In the private sector, the increases for 2019 have been 2.8% apart from a glitch in April. For the the public sector the rise started off at 2.0% but has been 2.9% in both April and May, overtaking the private sector.”

LRD only collects agreements from trade union negotiators and reps, so this figure reflects the significantly higher rises delivered by collective bargaining when compared to IDR and XpertHR.

LRD’s Payline Database increases on lowest basic rates

Percentage **increases on lowest basic rates** (by agreements covered) for the three months up to and including:

For the three months up to and including:	2018							2019					This pay round, Aug-May
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
All agreements	3.0	2.8	2.2	2.1	2.0	3.4	3.5	2.8	2.8	2.8	2.8	2.8	2.7
Private sector	3.0	2.9	2.8	2.7	3.0	3.4	3.5	2.8	2.8	2.8	2.7	2.8	2.8
Public sector	3.0	2.1	1.0	1.5	1.5	3.5	3.5	2.0	2.0	2.0	2.9	2.9	2.0
Manual	3.0	2.9	2.9	2.8	3.4	3.5	3.5	2.9	2.9	2.9	2.7	2.7	3.0
Non-manual	3.0	2.5	2.0	2.0	2.0	3.3	3.3	2.8	2.6	2.7	2.7	2.7	2.5
All industries	2.9	3.0	3.0	3.0	3.0	3.0	2.8	2.7	2.6	2.7	2.9	3.0	2.8
All services	3.0	2.6	2.0	2.0	2.0	3.5	3.5	3.0	3.0	2.9	2.8	2.8	2.5

Percentage **increases on lowest basic rates** (by agreements covered) for the twelve months up to and including:

For the twelve months up to and including:	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
By agreements	2.9	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.7	2.7
By workers covered	6.0	5.9	6.4	6.6	6.4	6.6	6.7	6.7	6.8	6.7	3.9	3.9

The figures show median (midpoint) pay settlements among all the agreements monitored through LRD’s Payline database. The weighted median (by number of workers covered) appears in the 12-monthly table.

Source: LRD Workplace Report, June 2019

NEW XpertHR: Median awards remain at 2.5%

XpertHR reports that “Pay awards in the three months to the end of June 2019 are worth a median 2.5%...This is the sixth consecutive rolling quarter at this level, as pay awards continue to hold up well at the halfway point in the year.

Standing at 2.9% in June, the level of retail price index (RPI) inflation continues to outpace the current median pay award, as has been the case since April this year.

Based on a sample of 303 pay awards in the three months to the end of June 2019, XpertHR finds the following:

- The median basic pay increase is worth 2.5%. Pay awards are fairly tightly bunched around this central figure, with an interquartile range – which measures the middle 50% of pay awards – worth between 2% (the lower quartile) and 3% (the upper quartile).
- Among a matched sample of pay awards, the majority are either the same (25.8%) or higher (32.4%) than in the previous year, while just over four in 10 (41.8%) are lower than the same group of employees received in the same period a year ago.

- Almost a quarter (22.6%) of pay awards are worth exactly 2.5%, making this the most common pay award, as well as the median.
- The median pay award for both the manufacturing and production, and services sectors, was worth 2.5% in the latest three-month period.

Over the 12 months to the end of June 2019, the median pay award in the private sector is 2.5%, compared with 2.3% in the public sector. A number of employees in the public sector are set to receive a boost to their pay following the announcement of pay award for groups including the armed forces, and prison and police services.

Source: XpertHR Press Release, 25 July 2019

NEW IDR – Median pay awards at 2.5%

Incomes Data Research (IDR) reported in its latest *Viewpoint* (June 2019) that “the median pay award across the whole economy is 2.5% for the three months to May 2019... Higher awards, those at or above 3%, continue to account for around a quarter of pay outcomes. The private sector median is also 2.5%, influenced by several pay awards of over 4%.

The latest median held steady due to a number of pay awards at or above 4%, for instance at John Lewis Partnership and KFC, both influenced by the 4.9% increase to the National Living Wage (NLW). Comparatively few increases are below 2% though we have recorded five pay freezes this time.

The private sector median is sustained by higher awards in private services where over two-fifths of awards monitored in this period are at 3% or above. The interquartile range in this sector widened from between 2.4% to 3.9% to between 2.0% to 4.0%. In the public sector the median pay award is 2.0%. While most public sector awards have been at 2%, the settlement covering the largest number of employees, that for the NHS, provided increases of 1.7% in the second year of a 3-year deal worth over 6%. NHS staff also received a lump sum worth 1.1% in the second year of the deal.

The latest figures are based on a sample of 153 pay awards effective between 1 March and 31 May 2019, covering 2,185,740 employees in total.”

Pay award data - three months to end of May 2019

	Whole economy	Private sector	Manufacturing & production	Private services	Not-for-profit	Public sector
Lower quartile	2.0%	2.0%	2.0%	2.0%	2.2%	2.0%
Median	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%
Upper	3.0%	3.0%	2.6%	4.0%	2.6%	2.3%

Based on 153 pay awards covering 2,185,740 employees.

Source: IDR *Viewpoint*, June 2019

Whole economy pay awards in the three-months ending at each date

	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19
Lower quartile	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%	2.0%
Median	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.6%	2.5%
Upper quartile	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.5%r	3.0%	3.0%	3.0%	3.0%
Average	2.6%	2.5%	2.5%	2.5%	2.5%	2.9%r	2.3%	2.6%	2.7%	2.7%	2.6%
Total*	383	108	107	96	57	46	36	76	77	76	78

*Total number of pay awards recorded in the three-month period, r = revised

Source: IDR *Pay Climate*, June 2019

New Unite settlements above RPI over the last three months reported by LRD

Agreement	Sector	Start	Description
Baxterstorey - ExxonMobil refinery Fawley	Chemicals	01/07/19	A 3% increase from 1 July 2019.
Rudolph & Hellmann Automotive	Manufacturing	01/06/19	A 4% increase in salaries from 1 June 2019. Overtime rates remain at 1.3 and 1.7 times the basic rate. A one-off consideration bonus payment of up to 12.9% of monthly salary for staff who commenced employment on or before 1 January 2019 and who have remained employed in June 2019 without serving notice.
Mitie Security (Southampton General Hospital)	Health/Security	01/05/19	A 14.5% increase for security officers and 7% for security supervisors from 1 May 2019. A phased-in increase over the next two years to three months full pay followed by three months half pay where members are injured whilst carrying out their duties. All personal protective equipment (PPE) requested will be introduced. A new recognition agreement between Unite and Mitie Security.
Nordam Europe	Manufacturing	01/05/19	A 3% increase to basic pay and shift allowances from 1 May 2019. Death in Service and PHI extended to cover up to 66 years of age (in line with future statutory pension age increase). Two days' annual leave may be carried over into the following leave year (but must be used within that year).
Babcock RAF Valley	Repair and maintenance of aircraft and spacecraft	01/04/19	A 5% increase from 1 April 2019.
ICTS Edinburgh Airport	Transport	01/04/19	First year of a two stage two-year agreement with a 3.5% increase to all rates of pay from 1 April 2019. In the second year, from 1 April 2020, a further 2.5% increase will be applied.
Thomas Cook (Cabin Crew)	Transport	01/04/19 01/04/20	First year of a two-stage two-year agreement with a 3% increase to base pay from 1 April 2019. Also the introduction of training pay for all mandatory training. In the second year, from 1 April 2020, an increase of 2.5% or the equivalent of February 2020 RPI (published in March), whichever greater, capped at 3%.
Young's Seafood (Grimsby)	Food processing	01/04/19	A 3.5% increase from 1 April 2019. Minimum rate of pay £8.86ph; rising up to £13.21ph. A move to unpaid breaks with no loss of pay. Sunday/ Bank Holiday overtime reduced from double time to time and a half. All other terms and conditions remain unchanged.
Calsonic Kansei UK	Manufacturing	01/04/19	A 3% increase to basic pay from 1 April 2019.
Samaritans	Not for Profit	01/04/19	An across the board increase of 3% from 1 April 2019.
Scottish Galvanizers Ltd (Wedge Group)	Metals	01/04/19	A 3% increase to basic pay, shift allowances and all overtime rates from 1 April 2019. All 33 days annual leave paid at new rate and protected. Also a 3% increase to all bonuses.
Affinity Water	Utilities	01/04/19	A 2.7% increase to base pay and allowances from 1 April 2019.
Morson Wynnwith	Engineering	01/04/19 01/04/20	First year of a two-stage two-year agreement with a 3% increase from 1 April 2019. In the second year, from 1 April 2020, a further 3% will be applied.

Source: LRD Pay & Conditions database online, July 2019

INFLATION AND PRICES

RETAIL PRICE INDEX (RPI) 2.9% in the year to June 2019 (3.0% in the year to May 2019)

CONSUMER PRICE INDEX (CPI) 2.0% in the year to June 2019 (2.0 % in May 2019)

CONSUMER PRICE INDEX- HOUSING (CPIH) 1.9% in year to June 2019 (1.9% in May 2019)

RPI inflation falls slightly while CPI and CPIH remain steady

Officially RPI has fallen to 2.9% in June, from 3% in May.

Inflation under the Consumer Prices Index Housing (CPIH) remained steady at 1.9% and the CPI — which is used by the Bank of England’s Monetary Policy Committee to inform its decisions on interest rates — also remained at 2.0%.

Unite argues that negotiators should use the RPI as the basis for negotiations. For a discussion of why see here: <http://touchstoneblog.org.uk/2017/03/controversies-around-inflation-measurement-annual-real-wages-fallen-2100-1200-800/>

Price inflation

	% increase on a year earlier		
	RPI	CPIH	CPI
June	3.4	2.3	2.4
July	3.2	2.3	2.5
August	3.5	2.4	2.7
September	3.3	2.2	2.4
October	3.3	2.2	2.4
November	3.2	2.2	2.3
December	2.7	2.0	2.1
January 2019	2.5	1.8	1.8
February	2.5	1.8	1.9
March	2.4	1.8	1.9
April	3.0	2.0	2.1
May	3.0	1.9	2.0
	2.9	1.9	2.0

Source: ONS July 2019

When broken down, seven of the 14 groups that make up the basket of goods used to calculate the RPI increased by more than 2.9%.

These included:

- The 7.6% rise in the fuel and light group included an 11.5% increase in electricity prices, offset by a 1.9% fall in oil and other fuels.
- Fares and other travel costs increased by 6.4% overall, with a 7.1% increase in other travel costs, such as air fares.
- The overall rise in clothing and footwear was 5.2% but included increases of 8.5% for women’s clothing, 7.1% for men’s and 6.2% for children’s clothing.
- The food group only posted an increase of 1.5% but Potato and vegetable prices were up by 5.7% and 4.7% respectively.

RPI components rising faster than inflation (2.9%)

	% annual increase
Broad Categories	
Fuel and light	7.6
Tobacco	5.7
Household services	4.4
Clothing and footwear	5.2
Fares and other travel costs	6.4
Leisure services	3.9
Significant rises	
Processed fish	4.0
Oil and fats	6.7
Soft drinks	3.7
Potatoes	5.7
Vegetables other than potatoes	4.7
of which fresh vegetables	5.8
Take-away meals and snacks	3.4
Cigarettes	5.1
Mortgage interest payments	4.2
Council tax and Rates	4.7
Water and other charges	3.1
Dwelling insurance and ground rent	6.9
Coal and solid fuels	5.5
Electricity	11.5
Gas	4.3
Furniture	4.3
Postage	4.0
Telephones, telemessages, etc	6.0
Domestic services	3.2
Fees and subscriptions	3.3
Men's outerwear	7.1
Women's outerwear	8.5
Children's outerwear	6.2
Personal services	3.1
Maintenance of motor vehicles	3.3
Vehicle tax and insurance	5.6
Rail fares	5.9
Other travel costs	7.1
Books and newspapers	5.1
Television licences and rentals	4.6
Foreign holidays (Jan 1993 = 100)	4.0
UK holidays (Jan 1994=100)	5.1

Source: ONS July 2019

Inflation forecasts

Inflation forecasts reported by in IDR Pay Climate suggest that RPI “is likely to fall slowly throughout the rest of 2019 but then turn up once again as we move into 2020.” Brexit means that there is some considerable uncertainty in how prices will change.

RPI forecasts

HM Treasury’s monthly comparison of inflation forecasts report RPI as follows:

	Date Published	Fourth quarter 2019	Fourth quarter 2020
City forecasts			
Bank of America - Merrill Lynch	Jul	2.1%	2.5%
Barclays Capital	Sep	2.8%	-
Capital Economics	Jul	2.8%	2.8%
Citigroup	Jul	2.6%	2.4%
Commerzbank	Jul	2.3%	2.1%
Fathom Consulting	Apr	3.3%	-
Goldman Sachs	Jan	2.8%	-
HSBC	Jul	2.3%	2.5%
Natwest Markets	Jun	2.2%	2.7%
Nomura	Jul	2.6%	2.9%
Pantheon	Jun	2.3%	3.0%
Santander GBM	Apr	2.9%	2.5%
Schroders Investment Management	Jul	2.5%	3.2%
Societe Generale	Jul	2.2%	2.3%
Independent forecasts			
Beacon Economic Forecasting	Jul	2.4%	3.3%
CBI	Jan	3.1%	-
CEBR	Jul	3.0%	3.1%
Economic Perspectives	Jul	3.4%	4.2%
Experian Economics	Jul	2.5%	3.2%
Heteronomics	Jul	2.0%	3.1%
ITEM Club	Jul	2.7%	3.1%
NIESR	May	3.2%	3.7%
Oxford Economics	Jul	2.4%	3.1%
UBS	Jun	2.8%	2.9%
3 months average - City	Jul	2.4%	2.6%
3 months average – Independent	Jul	2.5%	2.9%
Median	Jul	2.5%	3.0%
OBR	Mar	2.9%	2.8%

Source: HM Treasury, *Forecasts for the UK Economy*, July 2019

Inflation is higher for people on low incomes

ONS analysis in 2014 showed how changing prices have different effects on the inflation rates faced by people on low and high incomes because of variations in the goods and services they buy. This highlighted that people living in poverty spend a much higher proportion of their income on food, energy and housing and therefore the poorest fifth of the population experiencing a higher rate of inflation than the rest of the country in most of the last two decades.

For ONS analysis from 2014 click here:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/compendium/variationintheinflationexperienceofukhouseholds/2014-12-15/bexecutivesummary>

Housing

Average rents continue to rise with ONS showing a 1.3% rise nationwide and a rise of 2.1% in the East Midlands and Northern Ireland.

Private Housing Rental Prices

Experimental Index of Private Housing Rental Prices (ONS) - 12 month price change June 2019. Not seasonally adjusted	
Country/region	Percentage change on a year earlier
United Kingdom	1.3%
Great Britain	1.3%
England	1.3%
Wales	1.1%
Scotland	0.9%
Northern Ireland	2.1%
North East	0.5%
North West	1.3%
Yorkshire and The Humber	1.8%
East Midlands	2.1%
West Midlands	1.5%
East of England	1.3%
London	0.9%
South East	1.6%
South West	2.0%
UK excluding London	1.5%
GB excluding London	1.5%
England excluding London	1.6%

Source: ONS Index of Private Housing Rental Prices (IPHRP), published July 2019.

Private company statistics on the private rental market

These tend to focus on new rental contracts whereas the IPHRP is a survey of all rents.

Homelet (Published July 2019)

- Average UK new rents in June were £941 pcm (Greater London £1,611 pcm, UK excl. London £781 pcm)
- The UK figure was 1.8% higher than in June 2018
- The London figure was 0.9% higher than in June 2018

Source: <https://homelet.co.uk/homelet-rental-index>

House price and percentage change by country and government region

Country/region	Price	Monthly change	Annual change
England	£245,817	0.1%	1.0%
Northern Ireland (Quarter 1 - 2019)	£134,811	-1.0%	3.5%
Scotland	£152,801	1.2%	2.8%
Wales	£159,428	-1.4%	3.0%
East Midlands	£189,622	-1.2%	0.4%
East of England	£291,239	0.7%	1.0%
London	£457,471	-2.5%	-4.4%
North East	£127,885	-1.0%	-0.7%
North West	£164,261	0.8%	3.4%
South East	£323,745	0.9%	0.6%
South West	£257,563	1.2%	2.6%
West Midlands Region	£196,489	0.2%	2.7%
Yorkshire and The Humber	£162,520	0.4%	1.9%

Source: ONS UK House Price Index May 2019, published July 2019

Childcare

The **Coram Family and Childcare** Childcare Survey published in March reports that parents now pay an average of £127 per week, or over £6,600 per year, for just a part time nursery place. The Childcare Survey 2019 – the 19th annual survey – finds prices have risen by 3 per cent in the last year.

Prices also vary significantly across the country. In Inner London – the most expensive region in the UK – the price of a part time nursery place for a child under two is £175 per week, or £9,100 per year, compared to an average £108 per week in Yorkshire and Humberside, or £5,600 per year.

To read the full report click here: <https://www.familyandchildcaretrust.org/childcare-survey-2019>

Average weekly childcare costs 2018

	Nursery				Childminder				After School Care weekly	
	25 hours		50 hours		25 hours		50 hours		Child-minder	After-school Club
Child age	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	5 yrs - 11 yrs	
Britain	£127.12	£124.04	£242.35	£236.85	£113.31	£112.02	£220.95	£218.79	£65.70	£57.36
England	£128.98	£125.77	£245.95	£240.06	£114.37	£112.92	£222.99	£220.57	£65.64	£58.17
Scotland	£111.08	£107.86	£213.25	£208.53	£104.54	£103.46	£208.51	£206.28	£68.44	£54.17
Wales	£117.36	£116.19	£222.34	£221.16	£105.70	£105.70	£221.16	£202.09	£63.14	£48.77
Inner London	£174.54	£163.01	£329.54	£313.24	£159.46	£156.91	£302.99	£299.05	£110.49	£57.75
Northern Ireland excluded from analysis as different childcare funding makes comparisons difficult										

Source: *Coram Family and Childcare, 2019 Childcare Survey*, updated annually, published March 2019

GENDER PAY GAP

Employers publish gender pay gaps

The headline gender pay gap for organisations of over 250 employees has worsened over the last year. This is true for both the difference between the median hourly rate and the percentage of women paid less within organisations.

Gender pay gap Measure	2017-18	2018-19	change on year
Difference in median hourly percent (HEADLINE GENDER PAY GAP)	9.2	9.6	0.4
Difference in mean hourly percent	13.4	13.1	-0.3

Whether paid women more or less than men	2017-18	2018-19	change on year
Paid women less	77.10%	77.79%	0.69%
Paid women the same as men (0% gender pay gap)	8.80%	8.58%	
Paid women more	14.10%	13.63%	

Source: *CIPD Blog*

Any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women.

Employers must both:

- publish their gender pay gap data and a written statement on their public-facing website
- report their data to government online - using the gender pay gap reporting service.

Click here to find out your employer's information and view all the published data: <https://gender-pay-gap.service.gov.uk/Viewing/search-results>

AVERAGE WEEKLY EARNINGS

Total Pay AWE: rises to 3.9% in May 2019 (3.6% in April 2019)
(including bonuses, % change year on year, single month, seasonally adjusted)
Regular Pay AWE: rises to 3.8% in May 2019 (4.0% in April 2019)
(excluding bonuses, % change year on year, single month, seasonally adjusted)

In May 2019, average total weekly earnings, including bonuses, were estimated to have increased by 3.9% against the revised — upwards — increase of 3.6% for April.

The figures for regular pay which strips out bonuses increased by 3.8% in May against 4.0% in April for the whole economy.

Headline earnings growth (the rolling three-month average) for the whole economy in May was up to 3.4% from 3.2% and for regular pay the three-month average for the whole economy was up to 3.6% from 3.4% in April.

Average weekly earnings broken down by sector (seasonally adjusted)

April 2019	Total Pay (including Bonuses) %		Regular Pay %	
	Single month	3 month	Single month	3 month
Whole economy	3.9	3.4	3.8	3.6
Private sector	3.9	3.4	3.8	3.7
Public sector	3.8	3.6	3.8	3.5
Public Sector excluding financial services	3.8	3.6	3.8	3.7
Services	3.9	3.5	4.2	4.3
Finance and business services	5.0	4.0	3.2	2.6
Manufacturing	3.0	2.1	4.9	4.4
Construction	5.9	5.2	2.8	2.6
Wholesale, retailing, hotels & restaurants	1.3	0.8	3.8	3.7

Source: ONS UK Labour Market Statistical Bulletin, July 2019

Full-time average weekly earnings by occupation

The table below is from LRD *Fact Service*. It is based on the median average earnings figures published in the Annual Survey of Hours and Earnings (ASHE) for April 2018. The original median figures have been updated by the 4.1% increase in average weekly earnings, including bonuses, for the whole economy between April 2018 and April 2019 to give a rough estimate of earnings now in the various occupational groups.

	£ a week
All employees	592.30
All male	634.00
All female	530.00
Managers	869.30
Professionals	775.60
Associate professionals	645.60
Admin & secretarial	464.60
Skilled/craft	546.10
Services	388.80
Sales	399.10
Operatives	510.10
Other manual jobs	401.00

Source: LRD *Fact Service*, Volume 81, Issue 29, 18 July 2019

LOW AND HIGH PAY

National Minimum Wage rates for April:

These are the Government's National Living Wage (NLW) and National Minimum Wage (NMW) from 1st April 2019⁴:

Year	25 + (NLW)	21 to 24	18 to 20	Under 18	Apprentice
April 2019	£8.21	£7.70	£6.15	£4.35	£3.90

Living Wage Foundation rates:

The Living Wage Foundation released new rates for the Living Wage in November 2018. They are:

- **UK rate: £9.00 per hour across the UK (an increase of 2.8%)**
- **London rate: £10.55 per hour (an increase of 3.4%)**

According to the Living Wage Foundation, "some 4,700 employers across the UK are signed up to the agreement, including large companies including IKEA, Aviva, Nationwide Building Society and Google. They have to pay the real living wage not just to their staff, but to any sub-contractors as well. About 180,000 employees will qualify for the pay rise."

KPMG research estimates that 22% of jobs now pay less than the real living wage - up from 21% in 2017. This equates to 5.75 million workers, up from 4.87 million five years ago.

Details on the Living Wage Foundation website: <https://www.livingwage.org.uk/what-real-living-wage>

Explaining the difference between UK wage floor rates:

	National Minimum Wage (NMW)	National Living Wage (Statutory NMW 25+)	Real Living Wages (Living Wage Foundation)
Is it the law?	Statutory	Statutory	Voluntary
What age group is covered?	There are separate rates for under 18, 18-20, 21-24 year olds and apprentices	25 and older	18 and older
How is it set?	Negotiated settlement based on recommendations from businesses and trade unions	A % of median income, currently at 55% it aims to reach 60% by 2020	Calculation made on the cost of living, based on a basket of household goods and services
When do they apply?	April	April	November

⁴ Further information on National Minimum Wage including eligibility and calculation is available at: <https://www.gov.uk/government/publications/calculating-the-minimum-wage/calculating-the-minimum-wage#overview>

NEW Joseph Rowntree Foundation Minimum Income Standard (MIS)

The National Living Wage still leaves workers short of the JRF Minimum Income Standard (MIS) which is an annual study of incomes based on what the public think they need for a decent minimum living standard.

	Single, working age	Couple with two children, primary and pre-school age, supported by tax credits	Couple with two children supported by Universal Credit	Lone parent with two children, supported by tax credits	Lone parent with two children, supported by Universal Credit
MIS weekly budget including rent, childcare and Council Tax	£313.68	£788.99	£788.99	£696.43	£696.43
MIS budget after rent, Council Tax and childcare	£203.90	£463.74	£463.74	£377.90	£377.90
Annual earnings requirement to reach MIS per adult	£18,800	£20,600	£17,000	£36,500	£28,700
Hourly earnings requirement to reach MIS per adult	£9.61	£10.54	£8.69	£18.76	£14.68

JRF has also launched an online MIS calculator tool: <https://www.minimumincome.org.uk/>

Full details: <https://www.jrf.org.uk/report/minimum-income-standard-uk-2019>. This was updated in July 2019.

UNITE'S ONLINE PAY CLAIM TOOL

Don't forget to look at the Work, Voice, Pay online tool to support union reps in developing their pay claim. The tool allows union reps to gather company information as well as from the Office for National Statistics and the union's own database containing the details of tens of thousands of pay deals.

The online tool then guides union reps through the potential workplace issues union members might want raised as part of their pay negotiations, and a pay and conditions claim including the information on the company's financial performance, ability to pay, the latest economic indicators and pay deals at comparator companies.

For more information visit: <http://www.unitetheunion.org/work-voice-pay/pay-claim-generator/>

INFORMATION AND SUPPORT

Unite pay and conditions database (members only)

All Unite members can access the pay and conditions database maintained by LRD PayLine using the link above or through the Unite website (go to 'Unite at work', then 'research and resources' and 'Unite pay and conditions database'). You shouldn't need to log-in if already logged in as a member. However, Unite members can also access the Unite pay and conditions database maintained by LRD at <http://www.lrd.org.uk/payline> or through the LRD website - **username: unite**, **password: opal961**

The database contains details of settlements, pay rates, as well as details on regional allowances, shift pay, and overtime. It is searchable and can be broken down by sector, type of worker and region. It also has information on Living Wage employers and other conditions such as working time and allowances.

Pay settlements history

User feedback said that whilst the latest pay deal is the most important pay deal to see for any agreement, it would also be useful to be able to see information about earlier pay deals. LRD have now added this functionality to the 'pay increases' (full) report.

Unite guides

There are a number of Unite guides on workplace issues available to reps and members. The Unite website is currently going through an upgrade but the guides will be available again online soon. The website will provide a new Unite policy portal to bring all our policy and research information into a one-stop digital shop and an enhanced Campaigns Tools Library to ensure that union materials can be stored, viewed and ordered.

If you need a specific guide that is currently not available please contact the Unite research department on research.enquiries@unitetheunion.org

Contact details

Bargaining Brief compiler: **James Lazou**
james.lazou@unitetheunion.org

Company accounts

Requests for information relating to company accounts should be sent to:
ben.norman@unitetheunion.org

ACCESSING DATA

The data contained in this brief can all be obtained by using online facilities available to Unite members and general websites.

All Unite members can access the pay and conditions database maintained by LRD at <http://www.lrd.org.uk/payline> or through the LRD website - **username: unite**, **password: opal961**



www.unitetheunion.org